

**Public Works Reserve Fund  
Fund Description, Significant Issues and Other Assumptions**

**Fund Description**

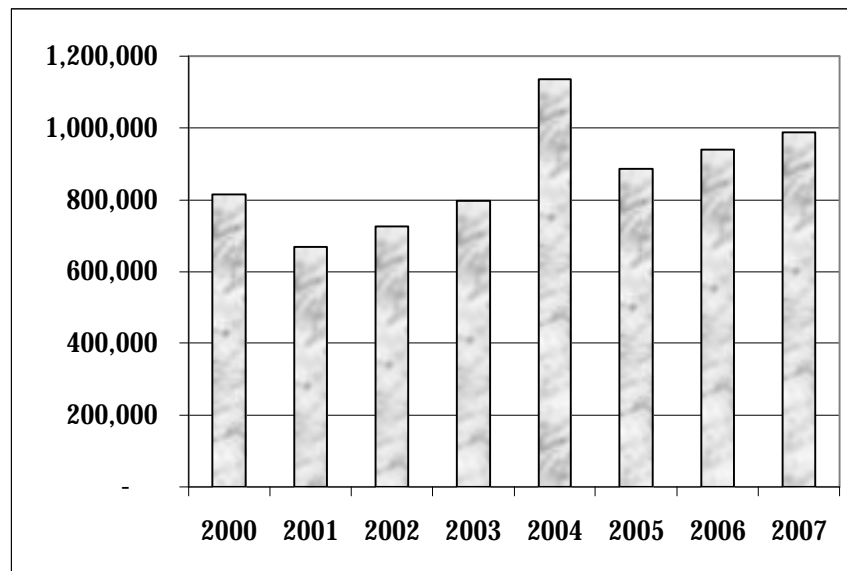
The Public Works Reserve Fund collects Real Estate Excise Tax and unexpended General Fund monies that are targeted for capital projects.

**Significant Issues:**

Revenues to support capital projects in the Public Works Reserve Fund have increased significantly between the 2005 to 2010 Financial Plan and Capital Improvement Program and this year's document. The largest increase is \$1.2 million more in transfers from the General Fund. This is result of higher than projected revenues and less than expected public safety expenditures in 2004. General Fund Revenue estimates for 2005 are also being increased allowing for a larger than anticipated transfer from the General Fund to Public Works reserve in 2005.

**Revenue Assumptions**

Real Estate Excise Tax is the only ongoing revenue source. The state levies this tax at a rate of 1.28 percent. All cities may levy an additional .25 percent and cities that are planning under the Growth Management Act may levy another .25 percent. Burien levies .5 percent which is the combination of the two. The chart below shows the history and forecast for this revenue source.



The transfer in from the General Fund is based on the city's financial policies which state that we should maintain an ending fund balance of 5% of current year revenues in the General Fund and transfer any funds exceeding that to the Public Works Reserve Fund for capital projects.

Between 1999 and 2004, \$6.1 million dollars from the General Fund was transferred to the Public Works Reserve Fund. This money serves to attract grant funds that enable us to implement our Capital Improvement Program.